

SAN ANTONIO OFFICE MONTHLY MARKET SNAPSHOT | AUGUST 2022

San Antonio Office recovery is expected to remain stable as economy trends positive.

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE SEVEN MONTHS OF THE YEAR—JULY 2022 COMPARED TO JULY 2021.

SAN ANTONIO VACANCY AT 11.9%

Over halfway through 2022, overall vacancy is at 11.9%, up 140 basis points from last year at 10.5%. Availability is at 15.2%, up 90 basis points from July 2021 at 14.3%. The difference between this figure and the vacancy rate reflects expected future move-outs. The San Antonio office market has recorded 1.2 million sq. ft. of leasing activity, comprised of new leases and renewals, down 6.8% from last year, while net absorption (move-ins minus move-outs) is at negative 763,000 sq. ft., down from a positive 93,000 sq. ft. year-over-year.

LEASING ACTIVITY SHOWS POSITIVE SIGNS

Despite the year-over-year decrease in net absorption and leasing activity, significant 2022 transactions include Medtronic Inc. moving into 145,025 sq. ft. in Overlook at the Rim in the Far Northwest submarket; 88,520 sq. ft. leased in One International Centre in the North Central submarket; Spectrum moving into 69,000 sq. ft. in Crosswinds Technology Park in the Northeast submarket; and Alamo NEX Construction occupying 38,323 sq. ft. at 7330 San Pedro Ave. in the North Central submarket. In addition, due partly to the new construction added to the market, the average asking full-service rent in the San Antonio office market metro is at \$24.22 per sq. ft., up by \$0.30 or 1.3% from this time last year.

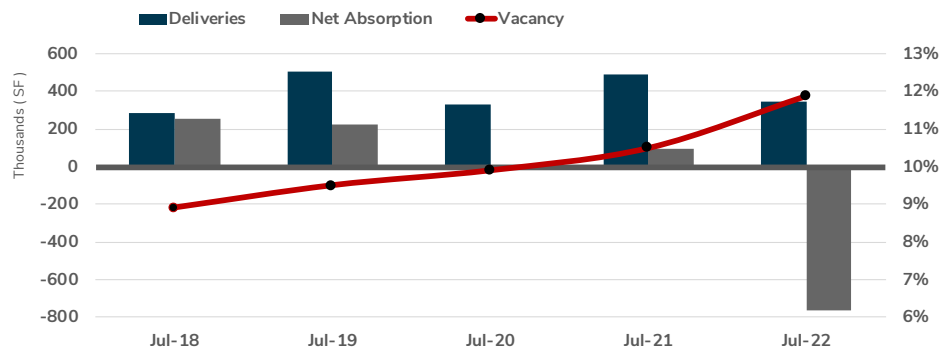
ECONOMIC INDICATORS

Broad measures of the San Antonio economy remained positive in June. The San Antonio unemployment rate decreased to 3.6%, equal to the U.S. jobless figure of 3.6% but below the state rate of 4.1%. In addition, payrolls expanded 5.6% from May to June (5,017 jobs). Among the major sectors, other services grew the most at 30.0% (864 jobs), followed by health and education, up 9.4% (1,298 jobs). With the increase in June employment, San Antonio has gained approximately 155,000 jobs since the lowest point of the pandemic in April 2020 and has surpassed pre-pandemic employment.

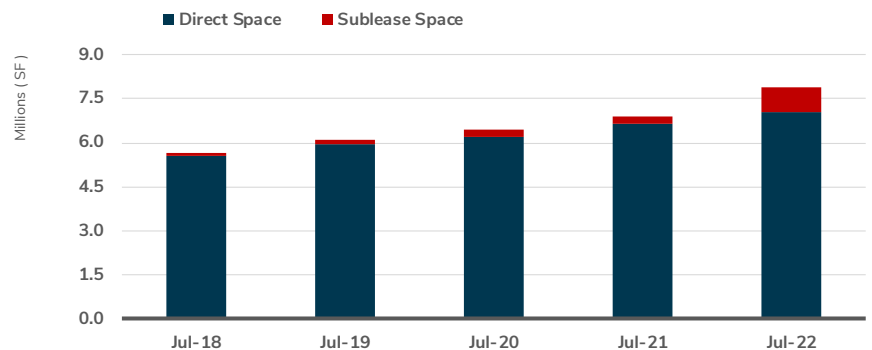
MARKET ACTIVITY

	JULY 2022	vs	JULY 2021
Vacancy	11.9%	▲	10.5%
Availability	15.2%	▲	14.3%
Under Construction SF	1,252,982	▲	1,228,323
Gross Average Asking Rent	\$24.22	▲	\$23.92
Net Absorption SF YTD	(762,929)	▼	93,067
Leasing Activity SF YTD	1,390,103	▼	1,491,907
Deliveries SF YTD	344,160	▼	486,949

SUPPLY & DEMAND | JULY - YEAR OVER YEAR



VACANCY | JULY - YEAR OVER YEAR



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